State of Alaska
FY2008 Governor's Operating Budget

Department of Labor and Workforce Development
Data Processing
Component Budget Summary

Component: Data Processing

Contribution to Department's Mission

The Data Processing component contributes to the department's mission by providing technical, analytical and business specific expertise to assist our customers in efficiently achieving their goals.

Core Services

Data processing operations, long-term planning and technology assessment.

Local Area Network (LAN) installation, maintenance, troubleshooting and administration.

Database administration.

Mainframe, minicomputer, microcomputer and web based application analysis, development and project management.

FY2008 Resources Allocated to Achieve Results		
FY2008 Component Budget: $6,873,600	**Personnel:**	
	Full time	38
	Part time	2
	Total	40

Key Component Challenges

The ability to recruit and retain senior Analyst/Programmers remains an ongoing challenge and we need to develop new ways to recruit and retain staff.

Statewide Enterprise Information Technology (IT) planning resulted in new standards. Fully aligning the department's IT efforts to these standards will take several years as the department's substantial infrastructure on the IBM MVS/CICS/DB2 mainframe is not part of the new IT standard. The department has just completed an evaluation to determine cost and customer effective solutions for technology platforms for the future, and may request capital funding to migrate from the state mainframe based on that evaluation.

Security requirements such as the Health Insurance Portability & Accountability Act of 1996 (HIPPA) are becoming stricter and threats to security are becoming more frequent and sophisticated. Increased demand for public access and wireless systems also forces more attention in this area and the required effort is increasing very rapidly. The department will develop an operational security plan for the Unemployment Insurance (UI) system that will conform with the National Institute of Standards and Technology guidelines and will ensure that technical security controls are implemented to safeguard data, ensure data integrity and assure the availability of UI information.

Significant Changes in Results to be Delivered in FY2008

Our major non-standard data processing items are our core Unemployment Insurance (UI) Tax and UI Benefits applications which reside on the state mainframe. We have engaged a contractor, specializing in our software development tools, to provide cost benefit analysis, risk analysis, impact on business processes, and skill set requirements for a number of possible technology directions. We are wrapping up our "Mainframe Retargeting Assessment". The department migration strategy will be governed by the speed at which we can develop cost effective solutions to replace those mainframe applications that are not currently compatible with State standards.

We are evaluating an automated regression testing tool. This has the potential to reduce web production errors and reduce testing time.

The department has implemented several web applications and will continue to increase the functionality of options available to the public. Targeted this year will be:
* Benefits Internet Filing (BIF). This application will allow more of the filing input to be handled by clients and will reduce call center workload.
* Workers' Compensation Electronic Data Exchange. This application will share data automatically between states and cut down on manual data entry.
* Certified Payroll. This application will allow for easier and more intuitive filing of weekly or biweekly wages for employers working on public construction projects.

We are deleting five Data Processing positions (four analyst programmers, one network technician). This reflects the completion of the Alaska Labor Exchange system (ALEXsys) project and our alignment with the funding reductions by our customers.

We hope to recruit two intern positions at the high school or college level to aid in overcoming the current challenge that the State has experienced in recruiting senior level Analyst Programmers by developing new talent.

Major Component Accomplishments in 2006

Completed several critical maintenance issues on the Unemployment Insurance tax system in accounting, reconciliation, annual rates, federal reporting and printing.

Continued to reduce mainframe costs by eliminating or modifying costly jobs and purging unneeded data from the mainframe database.

Delivered a new version of the Tax Online Web System which resulted in increased employer and remitter (service agency that submits for business entities) participation.

Completed the Alaska Labor Exchange system (ALEXsys) for the Employment and Training Services program. This case management and labor exchange system will be the core of their business processes for the next several years.

Deployed the Benefits Audit Report Tracking System (BARTS) for the Unemployment Insurance Benefit Payment Control program. This will be their core unemployment insurance fraud detection system for the next 5-10 years.

Delivered a new version of the Unemployment Insurance Benefits Initial Claim Filing (BIF) system (phase 2). This system is intended to evolve into the principal method for interacting with unemployment insurance clients.

Deployed a new version of the Fishermen's Fund system. This was a collection of fixes and enhancements requested for the core system of the Fishermen's Fund program.

Statutory and Regulatory Authority

Not applicable.

Contact Information
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Data Processing
Component Financial Summary

All dollars shown in thousands

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	3,466.1	4,025.7	4,210.8
72000 Travel	19.7	48.0	48.0
73000 Services	2,405.8	2,552.5	2,552.5
74000 Commodities	52.6	42.3	42.3
75000 Capital Outlay	43.4	20.0	20.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	**5,987.6**	**6,688.5**	**6,873.6**
Funding Sources:			
1002 Federal Receipts	4,100.1	4,604.0	4,221.5
1004 General Fund Receipts	126.5	325.8	893.3
1007 Inter-Agency Receipts	1,258.6	1,758.7	1,758.8
1061 Capital Improvement Project Receipts	502.4	0.0	0.0
Funding Totals	**5,987.6**	**6,688.5**	**6,873.6**

Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		**0.0**	**0.0**	**0.0**
Restricted Revenues				
Federal Receipts	51010	4,100.1	4,604.0	4,221.5
Interagency Receipts	51015	1,258.6	1,758.7	1,758.8
Capital Improvement Project Receipts	51200	502.4	0.0	0.0
Restricted Total		**5,861.1**	**6,362.7**	**5,980.3**
Total Estimated Revenues		**5,861.1**	**6,362.7**	**5,980.3**

Summary of Component Budget Changes
From FY2007 Management Plan to FY2008 Governor

All dollars shown in thousands

	General Funds	Federal Funds	Other Funds	Total Funds
FY2007 Management Plan	325.8	4,604.0	1,758.7	6,688.5
Adjustments which will continue current level of service:				
-FY 08 Health Insurance Increases for Exempt Employees	0.0	0.0	0.1	0.1
-Fund Source Adjustment for Retirement Systems Increases	567.5	-344.7	-222.8	0.0
Proposed budget decreases:				
-Delete 5 Full Time Positions and Reduce Federal Authorization to Align with Anticipated Receipts	0.0	-382.5	0.0	-382.5
Proposed budget increases:				
-FY 08 Retirement Systems Rate Increases	0.0	344.7	222.8	567.5
FY2008 Governor	893.3	4,221.5	1,758.8	6,873.6

Data Processing
Personal Services Information

Authorized Positions			Personal Services Costs	
	FY2007 Management Plan	FY2008 Governor		
Full-time	43	38	Annual Salaries	2,477,193
			Premium Pay	47,010
Part-time	2	2	Annual Benefits	1,817,673
Nonpermanent	0	0	*Less 3.02% Vacancy Factor*	(131,076)
			Lump Sum Premium Pay	0
Totals	**45**	**40**	**Total Personal Services**	**4,210,800**

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Analyst/Programmer II	0	0	1	0	1
Analyst/Programmer III	0	0	3	0	3
Analyst/Programmer IV	1	0	9	0	10
Analyst/Programmer V	0	0	5	0	5
College Intern I	0	0	1	0	1
Data Processing Mgr II	1	0	1	0	2
Data Processing Mgr III	0	0	1	0	1
Data Processing Tech III	0	0	1	0	1
Database Specialist III	0	0	2	0	2
Micro/Network Spec I	2	0	2	0	4
Micro/Network Spec II	1	0	1	0	2
Micro/Network Tech II	2	0	4	0	6
Student Intern I	0	0	1	0	1
Systems Programmer II	0	0	1	0	1
Totals	**7**	**0**	**33**	**0**	**40**